

May 16, 2001

IN RE: DOCKET NO. 2001-83-C – AmeriMex Communications Corp. -
Application for a Certificate of Public Convenience and Necessity to
provide Competitive Local Exchange telecommunications services within
the State of SC and for Flexible Regulation

**COPY OF TESTIMONY OF EDDIE BEHALF AND STEVE W. GUNTER
OF THE COMMISSION STAFF HAS BEEN DISTRIBUTED TO THE
FOLLOWING:**

E. Coates

Legal (2)

Exec. Director

Manager, Utils Dept.

Audit (2)

Commissioners (7)

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ORIGINAL

***Application of
AmeriMex Communications, Corp.
for a Certificate of Public Convenience and
Necessity to provide competitive Local
Exchange telecommunications services
within the State of SC***

Docket No. 2001-83-C



***Testimony of
Eddie Coates
Utilities Department***

Public Service Commission of South Carolina

RETURN DATE: W 02
SERVICE: OK

TESTIMONY OF EDDIE COATES
FOR
THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
DOCKET NO. 2001-83-C
IN RE: AMERIMEX COMMUNICATIONS, INC.

Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND OCCUPATION.

A. Eddie Coates, 101 Executive Center Drive, Columbia, South Carolina. I am employed by The Public Service Commission of South Carolina, in the Utilities Department, as a Rates Analyst.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS MATTER?

A. The purpose of my testimony is to present to the Commission the findings of the Utilities Department with respect to Staff's review of the Application of AmeriMex Communications, Inc. for a Certificate of Public Convenience and Necessity to provide pre-paid local exchange services in South Carolina.

Q. WOULD YOU PLEASE PROVIDE A SUMMARY OF YOUR FINDINGS?

A. Yes. Attached to my testimony is a summary of the Utilities Department's review and recommendations concerning AmeriMex's application. This summary has been designated as Exhibit EC-1. Staff's review of this Application was principally an analysis of AmeriMex's proposed tariff. The Company's proposed tariff was attached to the Company's Application and designated as Exhibit D. The purpose of Staff's review is to ensure that the tariff complies with the Commission's Regulations, Policies, and Orders. My Exhibit EC-1 summarizes various tariff exceptions noted by Staff and Staff's recommended or suggested modifications to the tariff.

Q. DO YOU HAVE ANY GENERAL COMMENTS CONCERNING THIS APPLICATION?

1 A. Yes. AmeriMex is a Georgia corporation with headquarters in Roswell,
2 Georgia. The Office of the Secretary of State of South Carolina has issued a
3 Certificate of Authorization to AmeriMex to operate as an incorporated
4 company within the State of South Carolina. The Application states that
5 AmeriMex will provide pre-paid local exchange service on a statewide basis.

6 **Q. DO YOU HAVE A RECOMMENDATION AS A CONDITION OF THE**
7 **APPLICANT OFFERING PREPAID CALLING CARD SERVICES WITHIN**
8 **THE STATE OF SOUTH CAROLINA?**

9 A. Yes. The Commission has required similar applicants to establish security of
10 its operations in South Carolina by requiring them to post a \$5,000 surety
11 bond or certificate of deposit with the Commission. I would recommend that
12 the Commission require this Applicant to post the same security.

13 **Q. HAS THE APPLICANT REQUESTED WAIVERS OF ANY OF THE**
14 **COMMISSION'S REGULATIONS AND REQUIREMENTS?**

15 A. Yes, AmeriMex requests that this Commission grant it a waiver of Regulation
16 103-631, which requires them to publish a local directory. They also asked
17 for a waiver of the requirement in Rule 103-610 that all records be kept
18 within this state. They requested permission to use Generally Accepted
19 Accounting Principles (GAAP) instead of Uniform System of Accounts
20 (USOA), and finally, requested a waiver of any reporting requirements. I
21 have outlined Staff's recommendations in Exhibit EC-1.

22 **Q. DO YOU HAVE ANY RECOMMENDATIONS CONCERNING THE**
23 **COMPANY'S PROPOSED TARIFF?**

24 A. Yes. The Commission has customarily granted requests to allow companies
25 a waiver of Regulation 103-631 concerning the publication of directories
26 since directory listings are generally coordinated through agreements with
27 the incumbent local exchange carries. The Commission also customarily
28 grants a waiver of Regulation 103-610 regarding where a company's records
29 should be kept. The Commission also customarily grants permission for

1 companies to use GAAP instead of USOA. So Staff recommends that the
2 Commission grant waivers of those three regulations.

3 However, the Staff would recommend denial of the request of a waiver
4 regarding reporting requirements. Commission Staff recommends that all
5 local exchange companies be required to file these reports. Information
6 contained in these reports can be used to assess the development of
7 competition in the local exchange markets in South Carolina.

8 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

9 **A.** Yes.

AMERIMEX COMMUNICATIONS, INC.**DOCKET NO. 2001-83-C**

Application for a Certificate of Public Convenience and Necessity to Provide Pre-paid Local Exchange Telecommunications Services.

Summary of Staff Review**GENERAL INFORMATION:**

AmeriMex Communications, Inc. was incorporated in the State of Georgia on July 14, 1998. The Company is headquartered in Roswell, Georgia. The Applicant has received a Certificate of Authorization from the Office of the South Carolina Secretary of State to do business in South Carolina. AmeriMex Communications, Inc. seeks to provide pre-paid local telecommunications services.

APPLICATION

1. Page 1 - Requests "Alternative" or "Relaxed" regulation.
2. Page 6 – Number 13 (1) a - Requests exemption from any record keeping rules and regulations that might require a carrier to maintain its financial records in conformance with the Uniform System of Accounts (USOA). Staff recommends permission be granted to use GAAP.
3. Page 6 – Number 13 (2) – Requests waiver of publishing local exchange directories R.103-631. AmeriMex will make arrangements with the incumbent LECs to have their customers included in the LECs directories. Staff recommends waiver be granted.
4. Page 7 – Number 13 (3) – Requests a waiver of R.103-610- regarding maintenance of records. AmeriMex wishes to maintain its records in Roswell, Georgia. Staff recommends waiver be granted.
5. Page 7 – Number 13 (4) – Requests waiver of Reporting Requirements. Staff recommends that this waiver be denied.

SERVICES TARIFF:

1. Page 11 – Section 2.9.2 – This section references a one-year or multi-year service agreement. Staff would recommend the deletion of this provision from the tariff to comply with R.103-624.3, which states, "When a customer desires to have his service terminated, he must notify the telephone utility. Such notification may be oral or in writing. The telephone utility shall be allowed a reasonable period of time after the receipt of such notice to send a final bill.

2. Page 13 – Section 2.9.7 – This section states, “Carrier reserves the right to require a deposit or usage prepayment equal to one month’s estimated charge.” Staff would recommend modification to this section to comply with R. 103-621.2 which states, “For a new customer, a maximum deposit may be required up to an amount equal to an estimated (2) MONTHS (60 DAYS) total bill (including toll and taxes). For an existing customer, a maximum deposit may be required up to an amount equal to the total actual bills of the highest two (2) consecutive months within the preceding six months.”
3. Page 20 - Section 4.10 – This section states, “Carrier will bill Customer a one-time charge of \$20.00 or five percent of the amount of the check, which ever is greater, etc.” Staff recommends changing this sentence to read: Any applicable return check charges will be assessed pursuant to South Carolina Code Section 34-11-70.